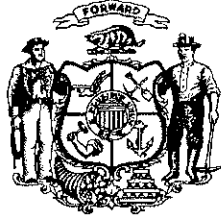


THE STATE OF WISCONSIN

SENATE CHAIR
MARK MILLER

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
MARK POCAN

309-E Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: April 16, 2010

Re: DOC Prison Industries Quarterly Report

Attached is a quarterly report on Prison Industries from the Department of Corrections (DOC), pursuant to s. 303.019, Stats. This information covers the quarter, ending December 31, 2009.

The Departments must report on a quarterly basis, except for the last quarter in a fiscal year, the cash balance summary for each Prison Industry and a projected fiscal year-end profit and loss statement for the Prison Industry program. Reports must be submitted within 30 days after the end of the quarter.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP;jm

Jim Doyle
Governor

Rick Raemisch
Secretary



State of Wisconsin
Department of Corrections

Mailing Address

3099 E. Washington Ave.
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 240-5000
Fax (608) 240-3300

March 24, 2010

Senator Mark Miller, Senate Chair
Joint Committee on Finance
Room 409 South, State Capitol
P O Box 7882
Madison, WI 53707-7882

Representative Mark Pocan, Co-Chair
Joint Committee on Finance
Room 322 West, State Capitol
P O Box 8953
Madison, WI 53708-8953

Dear Senator Miller and Representative Pocan:

Attached is the report on Prison Industries for the quarter ending December 31, 2009 as required by § 303.019 of the Wisconsin Statutes. This report includes the year-to-date cash balances of Badger State Industries (BSI) at the end of the second quarter.

Traditional Prison Industries

Traditional Industries provided a cash forward balance of \$712,400 from FY 2009. The second quarter reporting period for FY 2010 from July 1, 2009 through December 31, 2009 shows gross revenues of \$5,708,200 with cash expenditures of \$9,704,200. The second quarter ends with expenditures exceeding revenues by (\$3,283,600).

The projected cash balance for Traditional Industries in FY 2010, including the beginning cash balance indicates a profit of \$966,700, however, when the required cash lapse related to expenditure changes from the 2009-11 Biennial Budget of (\$411,200) are included, the projected cash balance indicates a profit of \$555,500.

On an accrual basis, a \$(70,400) loss is projected for FY 2010. When the required 2009-11 biennial budget cash lapse of (\$411,200) is included, the projected accrual basis shows a shortfall of (\$481,600) for FY10.

As shown by these reports; the required budgetary lapse results in a projected shortfall for Traditional Industries in FY2010. The Department recognizes the projected shortfall and is continuing to work diligently towards increasing sales and/or reducing expenditures during FY 2010 in order to accommodate the required lapse as set by the 2009-11 biennial budget.

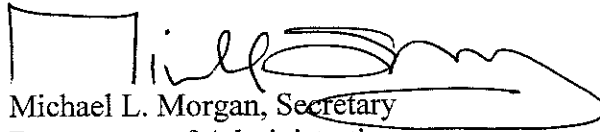
RECEIVED
APR 16 2010
BY: St. Finance

The Department of Corrections would be happy to respond to any questions you may have on Badger State Industries.

Sincerely,



Rick Raemisch, Secretary
Department of Corrections



Michael L. Morgan, Secretary
Department of Administration

Attachments

cc: Ismael Ozanne, DOC
Melissa Roberts, DOC
William Grosshans, DAI
Floyd Mitchell, DAI
Richard Schneider, DAI
Tim Peterson, BCE
Bernie Spiegel, BCE
Ben Cruz, BCE
Ben Grattan, BCE
Chris Wagner, BCE
Shyam Koppikar, BCE

Tim Lefave, DAI
Brigette Smith, DAI
Earl Fisher, DMS
Dan Steeger, DMS
Roland Couey, DMS
Lucie Widzinski-Pollock, DMS
Dustin Trickle, DMS
Jana Steinmetz, DOA
Chris Carmichael, LFB
Jere Bauer, LFB

BADGER STATE INDUSTRIES

YEAR TO DATE CASH BALANCE SUMMARY BY INDUSTRY

AS OF DECEMBER 31, 2009

TRADITIONAL INDUSTRIES

INDUSTRY	CASH BALANCE 7/1/2009	FY-10 YTD REVENUE	FY-10 YTD EXPENDITURE	CASH BALANCE 12/31/2009
NON PROJECT OPERATIONS				
MANAGEMENT & SUPPORT ¹	0	86,600	1,901,400	(1,814,800)
DISTRIBUTION CENTER	0	8,000	699,200	(691,200)
TRANSITION PROGRAM	0	0	59,600	(59,600)
SUB-TOTAL	0	94,600	2,660,100	(2,565,600)
PROJECT OPERATIONS				
FURNITURE ²				
WOOD & LAMINATING	(13,041,800)	710,700	849,400	(13,180,500)
METAL FURNITURE	(47,724,900)	635,400	1,814,900	(48,904,400)
SYSTEM FURNITURE	55,091,800	394,900	327,900	55,158,800
UPHOLSTERY	(438,400)	760,100	899,100	(577,400)
FURNITURE SUB-TOTAL	(6,113,300)	2,501,100	3,891,400	(7,503,500)
LAUNDRIES				
OSCI LAUNDRY	90,200	785,400	397,500	478,100
CVCTF LAUNDRY	(980,200)	127,300	322,200	(1,175,100)
LAUNDRIES SUB-TOTAL	(890,000)	912,700	719,700	(697,000)
METAL STAMPING	18,033,500	731,100	518,200	18,246,400
PRINTING	(3,050,700)	406,500	455,400	(3,099,600)
SIGNS				
SCI SIGN SHOP	2,142,200	550,200	729,600	1,962,800
JCI SIGN SHOP	(278,900)	101,900	114,200	(291,200)
NLCI HYDROSTRIPPING SHOP	(747,300)	19,800	124,300	(851,800)
SIGNS SUB-TOTAL	1,116,000	671,900	968,100	819,800
TEXTILES				
GBCI TEXTILES	(4,397,800)	300,800	375,400	(4,472,400)
SILKSCREENING SERVICES	(3,985,400)	87,400	109,200	(4,007,200)
TEXTILES SUB-TOTAL	(8,383,100)	388,200	484,600	(8,479,600)
WHEEL CHAIR REFURBISHING	0	2,100	6,600	(4,500)
SUB-TOTAL	712,400	5,613,600	7,044,000	(718,000)
TOTAL	712,400	5,708,200	9,704,200	(3,283,600)

Footnotes:

1: Management & Support costs represent overhead and non-project operations. Transition program costs are substantially allocated to the appropriate industries in the current fiscal year. Any remaining costs will be allocated in next fiscal year operations.

2: System Furniture sales are derived from products manufactured by the other Industries: Wood & Laminating, Metal Furniture, and Upholstry. Costs for those products are retained by the originating shop.

Traditional Prison Industries

Jun 30, 2010 Projected Cash Profit and Loss Statement As of December 31, 2009

Projected Revenue		17,974,900
Projected Cost of Goods Sold	\$14,892,400	
Projected Selling Expense	1,373,200	
Projected Administrative Expense	<u>1,455,000</u>	
		<u>\$17,720,600</u>

Plus beginning Cash Balance		712,400
Projected Cash Profit (Deficit) - June 30, 2010		254,300
Projected Cash Balance June 30, 2010 without 2009-11 Required Cash Lapse		<u>966,700</u>

Plus beginning Cash Balance		712,400
Less 2009-11 Biennial Budget Cash Lapse		<u>(411,200)</u>
Projected Cash Balance June 30, 2010 after 2009-11 Biennial Budget Cash Lapse		<u>\$ 555,500</u>

June 30, 2010 Projected Accrual Profit and Loss Statement As of December 31, 2009

Projected Sales		17,974,900
Projected Cost of Goods Sold	\$15,189,900	
Projected Selling Expense	1,373,200	
Projected Administrative Expense	<u>1,482,200</u>	
		<u>\$18,045,300</u>

Projected Accrual Basis Operating Profit (Deficit) - June 30, 2010		<u>(70,400)</u>
Less 2009-11 Biennial Budget Cash Lapse		<u>(411,200)</u>
Projected Accrual Basis Operating Profit (Deficit)- June 30,2010 after 2009-11 Biennial Budget Cash Lapse		<u>(481,600)</u>

